Nova Scotia

ANNUAL REPORT

for the fiscal year
ending March 31, 1988

Department of Housing

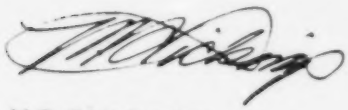
90-04916/

To His Honour
The Honourable Lloyd R. Crouse, P.C.
Lieutenant-Governor of Nova Scotia

May It Please Your Honour:

I have the honour to submit the Annual Report of the Nova Scotia Department of Housing for the fiscal year April 1, 1987 to March 31, 1988.

Respectfully submitted,



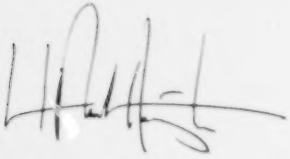
M.C. "Mel" Pickings
Minister of Housing

To The Honourable M.C. "Mel" Pickings
Minister of Housing

Sir:

I have the privilege on behalf of the Department of Housing to present my report on the work of the Department for the fiscal year 1987–1988.

Respectfully submitted,



M.H.F. Harrington
Chairman
Nova Scotia Housing Development Board

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HOUSING DEVELOPMENT BOARD

Members

M.H.F. Harrington, Chairman
L.G. Stephen, Deputy Minister
M.E. Stanbury
J.B. Sawyer
C.R. Gallant
J.V. Paul

Directors

R.E. Boyd, Director of Finance
E.A. Clarke, Director of Planning Services
D.W. Kerr, Director of Program and Property Management
M.D. MacGray, Director of Administration

INTRODUCTION

The fiscal year 1987–88 proved strong for the housing industry in Nova Scotia, with starts up 20 per cent over the average for the last six years from 1981 to 1986 inclusive. This increased activity has a positive effect on the provincial economy, as housing construction creates employment for Nova Scotians and is an important user of Nova Scotia materials and services. The Department of Housing supports this activity and contributes to the growth of Nova Scotia's home construction industry through many of its programs and initiatives.

The history of the Department of Housing dates back to the provincial housing report of the 1930s that indicated an extreme shortage of proper housing for lower-income families in Nova Scotia. As a result their social and physical well-being was deteriorating. This report provided the government of the day with the desire to improve the living conditions of its constituents.

The Nova Scotia Housing Commission was created in 1932 to help meet this challenge. To improve the delivery of housing in the province, the Commission became the Nova Scotia Department of Housing on November 9, 1983, as a result of the proclamation of Bill 66, "An Act Respecting Housing."

It was the Nova Scotia Housing Commission that gave Canada its first co-operative housing undertaking: the Arnold Co-operative Housing Ltd. in Reserve Mines in 1938. The basic philosophy that created co-operative housing, that of sweat equity and helping oneself, has been incorporated into other department programs.

The mandate of the Department of Housing, to contribute to the creation of dwelling units for many different groups of Nova Scotians needing assistance, requires that the programs offered be diversified. For this reason the department regularly reviews and modifies its programs in an effort to provide the maximum assistance to housing within budget guidelines, while endeavoring to realize the optimum social and environmental benefit for the recipients. The success of these efforts in 1987–88 is reflected in the number of Nova Scotians assisted by the department's programs.

Additional allocations of federal/provincal cost-shared units were successfully obtained during 1987. Under the Canada-Nova Scotia Global Housing Agreement 40 additional non-profit units were received

for the province as late allocations.

Negotiations with the federal government for social housing agreements continued in 1987, reflecting the department's concern for the supply of affordable housing in Nova Scotia.

As of February 26, 1988, more than 1,800 seniors had been helped by the Senior Citizens' Assistance Program, which allows seniors to undertake needed home repairs and enables them to continue to live in their own homes.

The Access-A-Home Program continued to adapt homes of the physically handicapped to become architecturally barrier-free. More than 100 applicants were assisted under this program in 1987.

Under the Small Loans Assistance Program more than 240 applicants received low-interest loans to improve their homes in 1987.

Through its Self-Help and Lease Purchase housing programs, the Department of Housing provides assistance to families to achieve home ownership. In 1987 more than 170 families benefitted under these programs.

Under the Federal/Provincial Rent Supplement and the Provincial Apartment Creation programs, 147 apartment units were created, affirming the department's recognition of the need for affordable rental accommodation, particularly in metropolitan Halifax-Dartmouth.

The Minister of Housing continued to meet with representatives of a wide variety of housing interest groups in an effort to focus on the problems facing Nova Scotians in terms of housing. The input of these groups is integral to the continued development of innovative, cost-effective new approaches to the province's housing challenges.

The United Nations officially designated 1987 as International Year of Shelter for the Homeless. In concert with the four metro municipal units and the federal government, the department successfully undertook the metropolitan demonstration program and delivered 246 units of affordable housing to a wide range of clientele in need.

The third annual housing design competition was successfully held. The competition is open to all students enrolled in the School of Architecture at the Technical University of Nova Scotia and is co-sponsored by

the Nova Scotia Department of Housing, Canada Mortgage and Housing Corporation, and the Nova Scotia Home Builders Association. All share a common concern for the quality of affordable housing in the province and a commitment to the development of new and innovative housing design concepts.

In March, the department once again presented Housing Education Week. During this event staff members concentrated on informing the public of various housing programs and services available to all Nova Scotians through the department. Housing is integral to the economy, and since homes are the largest single investment most of us will ever make, it is a principal objective of Housing Education Week that all Nova Scotians (both home buyers and home builders) are provided with the opportunity to know about available options.

Each year, Housing Education Week affords the opportunity for the department to liaise with both the public and the residential construction industry to ensure that this sector of the provincial economy remains productive and beneficial to all concerned.

Another successful annual Nova Scotia Home Awards competition resulted in the greatest number of entries submitted to date. This program recognizes and acknowledges excellence in housing design, innovation, and renovation/restoration. Designs were submitted by both housing professionals and lay people, and were evaluated on a number of criteria including: originality, use of indigenous Nova Scotia materials, energy conservation, cost and financial packaging.

The Department of Housing will continue in subsequent years to provide adequate and affordable housing to Nova Scotians in need, and will strive to meet or exceed the levels of success achieved in 1987–88.

ORGANIZATION

The Department of Housing is organized into four divisions: Administraton; Program and Property Management; Planning Services; and Finance.

Administration Division

The Administration Division provides all support services for the department. These activities relate to four functional areas: Administrative Services, Staff Services, Legal Services, and Records Management.

The Administrative Services Section ensures that the department develops a co-ordinated approach to all initiatives undertaken that have implications for the entire department. These relate to office facility and space management, office automation, public relations management, promotion and information services, administrative staff services support for the Housing Development Board, policy and procedure development, and purchasing.

Legal Services ensures that a comprehensive range of systems and services is developed and implemented to provide legal advice and assistance to the Deputy Minister and senior management. All services are fully co-ordinated with the Department of Attorney General through resident legal counsel.

The Records Management Section ensures that records are handled in a planned system through a centralized records entry and retrieval system. This includes the care and custody of all documents and records, circulation control, final disposition of records, and co-ordination of micrographic services. This section is also responsible for courier services, supplies, and inventory control measures.

The Staff Services Section provides assistance and advice to senior management in achieving the most effective and efficient use of allocated human resources. Specific activities include the provision of comprehensive staff and personnel administration records, management development initiatives, short-term employment opportunities, and a full range of personnel policy and procedure statements.

Program and Property Management Division

The Program and Property Management Division comprises head office

staff in Dartmouth and regional office staff in Sydney, New Glasgow, Bedford, and Middleton. There are district offices in Amherst and Liverpool, with a field office in Port Hawkesbury. There are also sales offices located in the Baille Ard subdivision in Sydney and the Millwood Village subdivision in Middle Sackville.

The division liaises with other provincial departments, agencies, and federal departments on issues related to policy matters regarding housing.

This division is divided into two sections: property administration and program administration.

The Property Management Section is responsible for managing the departmental real estate portfolio, including all aspects of land administration from acquisition through to disposal. It provides the lead role in managing the province's housing authorities by setting policy and procedure guidelines and overseeing their operations.

The Program Management Section is responsible for the delivery of all Department of Housing programs in the province. The section formulates policies and procedures relating to the programs and their delivery. These are completed in consultation with other divisions and with the public.

This section also acts as a housing information resource in the community. To achieve this, policies and procedures relating to program delivery are formulated in consultation with other divisions of the department and the public.

Together with Canada Mortgage and Housing Corporation, and the department's planning division, Program and Property Management implements federal/provincial cost-shared programs including: family and seniors public non-profit, special care, lease purchase and rent supplement programs.

In addition, Program and Property Management is responsible for delivering the housing programs financed exclusively by the province, including: Senior Citizens Assistance, Provincial Housing Emergency Repair, Small Loans Assistance, Land Sales, Access-A-Home, Parent Apartment, Apartment Creation, Residential Intensification, Family Benefits, Second Mortgage, Self-Help and Shell Housing programs.

Planning Services Division

The Planning Services Division provides the professional and technical services required by the department in the fields of planning (strategic and land use), architecture, and engineering. The services include the following:

- long-range strategic planning incorporating statistical analysis, research, preparation of housing studies and reports, housing policy development, and capital program preparation;
- community planning incorporating master planning subdivision design and survey work, processing of municipal approvals, and transfer of servicing systems;
- architectural services incorporating site selection, conceptual design, tender documents, job monitoring, hiring and overseeing outside design consultants;
- engineering services incorporating design, construction drawings, tender documents and contract preparations, establishment of engineering standards, and advising and serving housing authorities on technical issues.

Finance Division

The Finance Division is responsible for all financial and accounting matters within the Department of Housing and is responsible for the development and monitoring of standard accounting and reporting systems relating to 43 housing authorities throughout the province. The division's responsibilities for accounting systems include: capital expenditures detailed by cost element, recoveries, subsidies, mortgage accounting, Order-In-Council commitment accounting, cost-sharing, and cost accounting.

The division operates on an approval system for all capital operating and subsidy expenditures, inputs payment data to the Department of Finance computer, and disburses the cheques to creditors. Staff members receive and deposit all mortgage payments, recoveries of billings made to CMHC and municipalities on cost-shared programs, and miscellaneous payments. Division staff assumes responsibility for the administration of a mortgage and loan portfolio in excess of $100 million, which includes paying taxes and making certain that the security is insured

against fire.

The division also co-ordinates the preparation of annual operating, subsidy, and cash-flow budgets for the department and monitors actual performance against these budgets during the year. The staff is also responsible for all credit and collection policy and head office collection activity, including the initiation of foreclosure and judgment action.

Under the Nova Scotia Housing Development Corporation the Finance Division maintains all financial records for the Corporation relative to its raising of private sector financing for programs.

Housing Development Board

The Department of Housing operates with a body known as the Housing Development Board. Comprised of members appointed by the Governor-in-Council and including the Deputy Minister, the Board reviews all loan and grant submissions. It follows established program, policy, and procedural guidelines and may recommend approval, rejection, or deferral. The Board may also carry out other duties as the Minister of Housing prescribes.

NOVA SCOTIA DEPARTMENT OF HOUSING OFFICES

Head Office
Royal Bank Building
46 Portland Street
P.O. Box 815
Dartmouth, N.S.
B2Y 3Z3
Telephone 424-4483

Region 1
Cape Breton Regional Office
Provincial Building
360 Prince Street
P.O. Box 1267
Sydney, N.S.
B1P 6J9

Serving
Cape Breton County
Inverness County
Richmond County
Victoria County

Telephone 563-2120 or toll-free 1-563-2135

Port Hawkesbury Field Office
Provincial Building
P.O. Box 149
Port Hawkesbury, N.S.
B 0E 2V0

Serving
Port Hood
Louisdale
River Denys

Telephone 625-0650

Baille Ard Sales Office
661 Cottage Road
Sydney, N.S.
B1P 6W6

Serving
Baille Ard Land Assembly

Telephone 563-2136

Region 2
Central Regional Office
176 Archimedes St.
P.O. Box 481
New Glasgow, N.S.
B2H 5E5

Serving
Antigonish County
Colchester County
Cumberland County
Guysborough County
Pictou County

Telephone 755-5065 or toll-free 1-752-0101

Amherst District Office
144 East Victoria Street
P.O. Box 486
Amherst, N.S.
B4H 4A1

Serving
Cumberland County

Telephone 667-1161

Region 3
Metro Regional Office
Suite 304
Bedford Towers
P.O. Box 280
Bedford, N.S.
B4A 2X2

Serving
Halifax County
Hants County

Telephone 424-5110 or toll-free 1-424-5130

Millwood Village Sales Office
1129 Sackville Dr.
Sackville, N.S.
B0A 3C0

Serving
Millwood Village
Land Assembly
Sackville Lakes
Land Assembly

Telephone 864-3232

Forest Hills Sales Office
1 Circassion Drive
Dartmouth, N.S.
B2W 4R2

Telephone 434-2223/2224/2228

Region 4
Western Regional Office
166 Commercial Street
P.O. Box 1000
Middleton, N.S.
B0S 1P0

Serving
Annapolis County
Digby County
Kings County
Lunenburg County
Shelburne County
Queens County

Yarmouth County

Telephone 825-3481 or toll-free 1-825-3483

Liverpool District Office
267 Main Street
P.O. Box 1660
Liverpool, N.S.
B0T 1K0

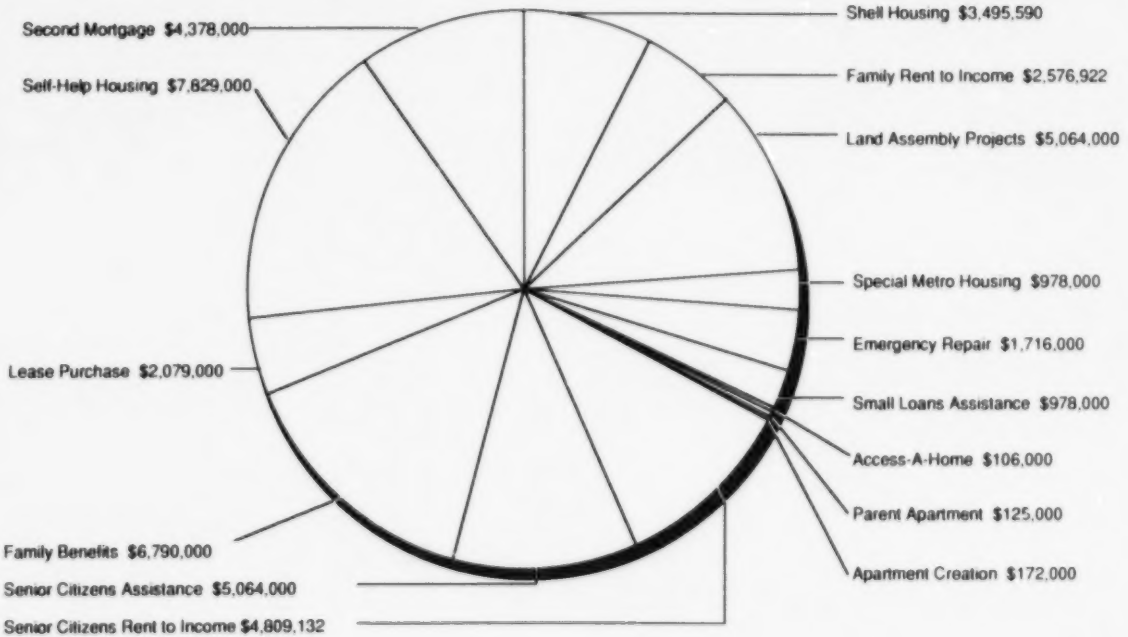
Serving
Lunenburg County
Shelburne County
Queens County

Telephone 354-2116 or toll-free 1-354-2294

1987–1988
PROGRAM SUMMARY

	Number of Approved Applicants (Units)	Funds Approved
Senior Citizens Rent-to-Income Housing	119	$ 4,809,132
Family Rent-to-Income Housing	49	2,576,922
Rent Supplement Housing	50	
Lease Purchase Housing	30	2,079,000
Special Metro Housing	22	972,616
Self-Help Housing	148	7,829,000
Family Benefits Housing	167	6,790,000
Student Housing	—	
Parent Apartment	12	97,000
Apartment Creation	14	172,000
Residential Intensification	—	—
Second Mortgage	285	4,378,000
Small Starter Home	—	—
Shell Housing	74	3,495,590
Emergency Repair	736	1,716,000
Access-A-Home	99	106,000
Small Loans Assistance	264	978,000
Senior Citizens Assistance	1,881	5,064,000
Land Assembly Projects	153 (lots)	2,329,315
Land Acquisition		
Total	4,116	$43,420,575

Nova Scotia Department of Housing Annual Report 1987-88
Program Expenditures



HOUSING STARTS
1980–1988
(April 1–March 31)

April 1–March 31[1]	NSDH Sponsored[2] Housing Starts	Total Provincial Housing Starts
1980	700	4,609
1981	615	3,738
1982	1,077	3,716
1983	720	3,670
1984	677	5,631
1985	554	4,942
1986	550	7,007
1987	1,502	7,249[3]
1988	973	6,460

1. For example, 1980 represents starts between April 1, 1979 and March 31, 1980.

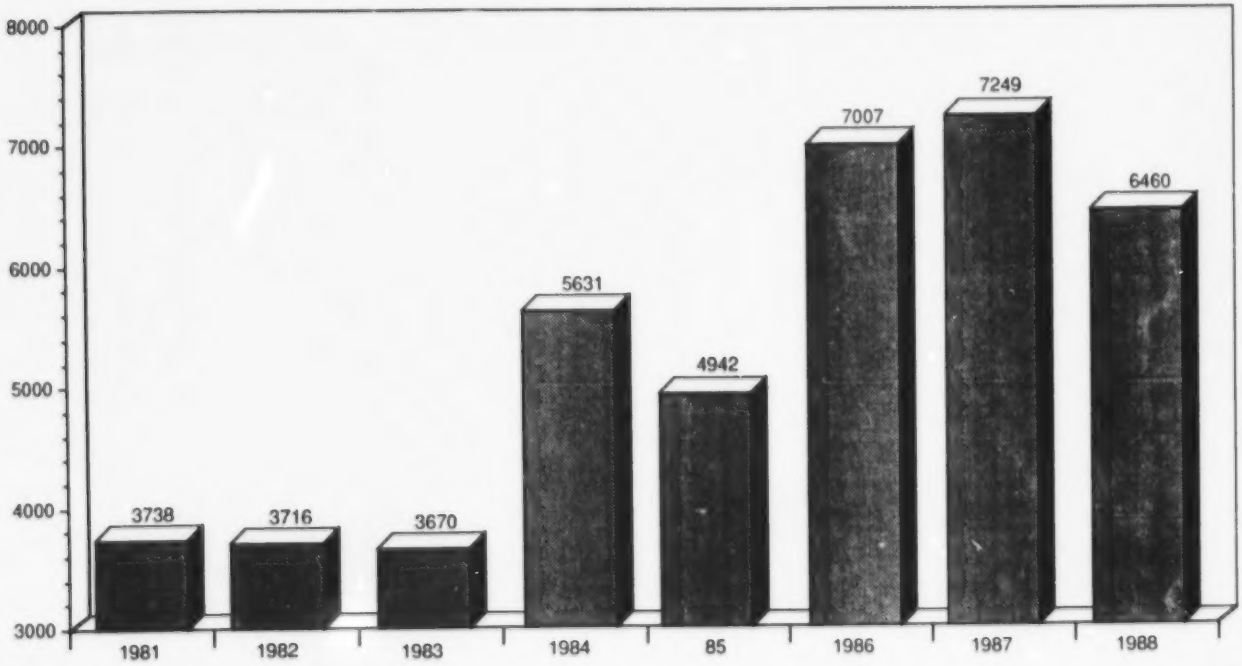
2. Represents a combination of tender awards and application approvals for Senior Citizens and Family Unit Public Housing, Self-Help, Lease Purchase, Shell Housing, Family Benefits, Student Housing, Special Metro Demonstration, Non-Profit Special Purpose, Small House Starter Home, Parent Apartment, Second Mortgage, Apartment Creation, Residential Intensification, and Rent Supplement programs.

3. Figures include preliminary starts for the period January to March 1987 for all of Nova Scotia.

Province of Nova Scotia

Total Housing Starts: 1981-1988

(April 1 to March 31)



HOUSING AUTHORITIES

All new and existing senior citizens and family unit public housing projects built under sections 40, 43, 44 and 56.1 of the National Housing Act are managed by a local or regional housing authority. Housing authorities have been established by provincial orders-in-council to manage, maintain and administer these projects.

Authorities act independently within the policies contained in the Public Housing Operations Manual and the Housing Authority Agreement. This agreement is made between CMHC, the department, the relevant authority, and the municipality in which the units are located.

The Public Housing Operations Manual ensures that the basic policies are implemented uniformly throughout the province and allows the authorities the freedom to deal with situations unique to each community.

The number of members appointed to a housing authority is established by each individual order-in-council. Appointments to the authority are made by the Minister of Housing on recommendations of a nominating committee representing all participating levels of government. If a regional authority serves more than one municipality, the appointees are nominated by the relevant municipal councils involved and by the federal and provincial ministers. Elected individuals holding federal, provincial, or municipal office are not eligible to sit on housing authority boards.

There are 43 housing authorities across the province administering more than 10,000 units. Approximately 6,900 are senior citizens units and more than 3,200 are family units.

HOUSING FOR SENIOR CITIZENS

The Senior Citizens Rent-To-Income Housing Program provides inexpensive, pleasant living accommodations for Nova Scotia's senior citizens.

Applicants must be 58 years of age or over and able to maintain their own apartments. Entry is not restricted, but priority is extended to individuals in the lower income levels through a point rating system. Points are awarded based on the income of the applicant, his or her health, and present living accommodations. Each applicant must have resided in the particular community of application for 12 consecutive months within the last three years.

The rent is based on the gross family income of tenants. The rent-To-income scale currently ranges between 16.7 per cent and 25 per cent of gross income.

Senior Citizens Rent-To-Income Housing projects are built under a federal-provincial partnership agreement through section 56.1 of the National Housing Act. The capital cost is raised 100 per cent through private sector lenders with a 100 per cent CMHC loan guarantee. Any operating losses are shared 75 per cent by Canada Mortgage and Housing Corporation, with the remaining 25 per cent being divided between the province and the relevant municipality. During the actual construction of each project the department is responsible for acquiring the land, tendering the project contracts, designing the project, and overseeing all aspects of the construction process.

As with Family Rent-to-Income Housing units, once projects are completed they are turned over to the local housing authority to administer. These authorities are responsible for tenant selection, rent collection, project staff supervision, and daily operating matters.

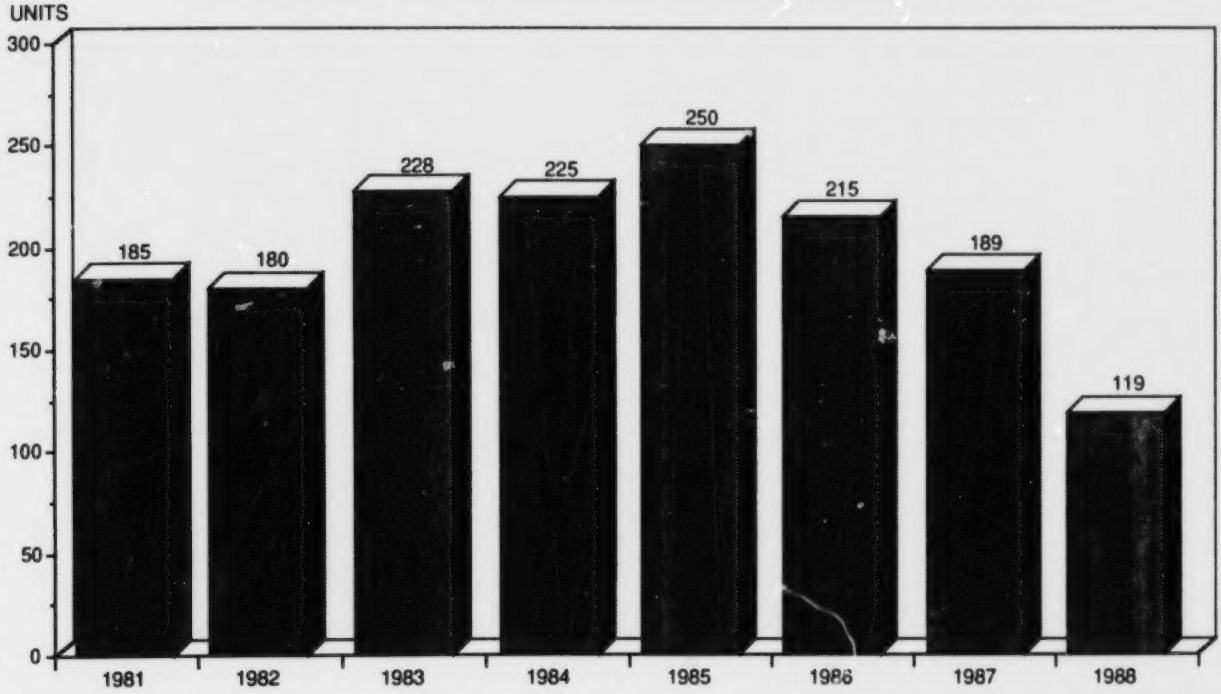
During the 1987–88 fiscal year 119 units were delivered to eligible Nova Scotians.

RENT-TO-INCOME HOUSING: SENIOR CITIZENS UNITS DELIVERED[1]

Location	Units	Value
Birch Grove	6	$ 246,000
Florence	14	553,000
Forest Hills	15	694,840
Hammonds Plains	15	542,467
Kingston	10	329,006
Liverpool	10	396,400
New Glasgow	18	800,000
Truro	16	720,522
West Hants	15	526,897
Total	119	$4,809,132

1. "Delivered" refers to projects that had a tender awarded during the year.

Nova Scotia Department of Housing
Rent to Income Housing: Senior Citizens Units Delivered 1981-1988



HOUSING FOR FAMILIES

The Family Rent-To-Income Housing Program provides affordable, comfortable homes for families in the low to medium-income range.

Prospective applicants are point scored for eligibility; and priority is given to those with the highest number of points. Points are awarded for a variety of reasons, such as the family's needs, income, amount of present rent, and the condition of present accommodations. Applicants must also have been residents in the particular community for 12 consecutive months within the last three years.

Rent is based on the gross family income of the tenants. The rent-to-income scale presently ranges between 16.7 per cent and 25 per cent of gross income, with appropriate reductions for services not provided and for each child.

Family Rent-To-Income Housing projects are built by the department and Canada Mortgage and Housing Corporation through section 56.1 of the National Housing Act. Capital costs of the projects are raised 100 per cent through private sector lenders, with a 100 per cent CMHC loan guarantee. Any operating losses are cost-shared 75 per cent by CMHC, with the remaining 25 per cent being divided between the province and the respective municipality (based on that municipality's ability to pay). During the actual construction of each project the department is responsible for acquiring the land, tendering the project contracts, designing the project, and overseeing all aspects of the construction process.

Once projects are completed, they are turned over to the local housing authority to administer. These authorities are responsible for tenant selection, rent collection, project staff supervision, and daily operating matters.

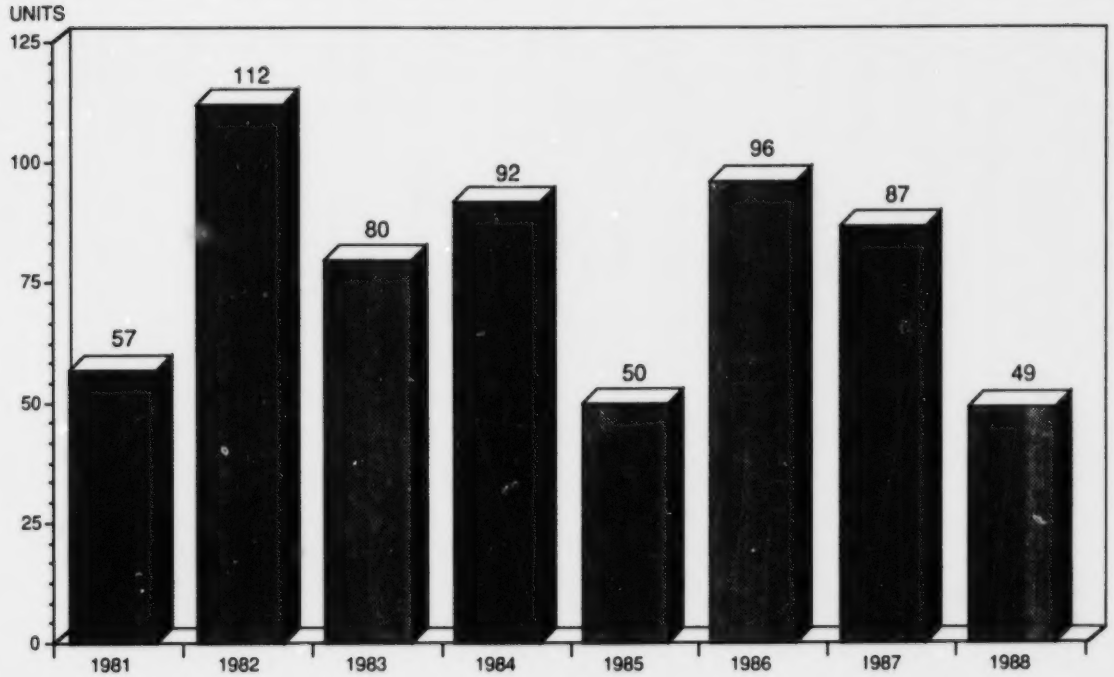
During the 1987–88 fiscal year 49 units were delivered to eligible Nova Scotians.

RENT-TO-INCOME HOUSING: FAMILY UNITS DELIVERED[1]

Location	Units	Value
Amherst	4	$ 192,640
Amherst	4	213,000
Cumberland County	4	213,000
Glace Bay	5	220,643
Kings County	8	445,600
Mulgrave	2	95,200
New Waterford	2	88,257
Salmon River	2	97,990
Sheet Harbour	2	118,300
Shelburne	2	113,787
Truro	2	97,990
West Hants	2	117,000
West Jeddore	2	108,400
Wolfville	2	113,400
Yarmouth	6	341,715
Total	49	$2,576,922

1. Delivered refers to projects that had a tender awarded during the year.

Nova Scotia Department of Housing
Rent to Income Housing: Family Units Delivered 1981-1988



LEASE PURCHASE HOUSING PROGRAM

The Lease Purchase Housing Program is designed to help low- and middle-income families acquire homes of their own through a subsidized rental system.

Homes must be single-family dwellings, newly constructed or existing (never occupied). They may be detached, semi-detached, or one unit of row housing. House plans, specifications, and building lots are approved by the Department of Housing in accordance with CMHC regulations.

A Lease Purchase agreement allows eligible applicants to purchase a home within the first five years of occupancy at the original capital cost. After purchasing the home the tenant must remain in it for a further five years to qualify for all of the appreciated value.

The applicants pay approximately 25 per cent of their income as rent and are responsible for ongoing maintenance and all utilities. The balance of the required payment is cost-shared by CMHC and the Department of Housing.

During the 1987–88 fiscal year 30 units were delivered to eligible Nova Scotians.

1987–88
Lease Purchase Housing

Region	Applicants Approved	Mortgage Funds Approved
1	9	$ 585,000
2	3	232,000
3	9	715,000
4	9	547,000
Total	30	$2,079,000

SELF-HELP HOUSING PROGRAM

The Self-Help Housing Program provides mortgages to Nova Scotians who wish to build their own homes but may find it difficult to do so in the private market. Loans are made to families whose combined income is within the established program guidelines. They must be able to afford home ownership, however.

The loan is payable over a maximum of 25 years. The interest charged is based on a rate negotiated with a private lender plus an administration rate of 0.5 per cent, which is subject to change. The maximum loan is also limited to monthly payments that do not exceed 27 per cent of the family's gross income.

All proposed building sites must be approved by the local municipal planning authority and the Department of Housing. Although the house design is the selection of the individual, it must meet the Department of Housing's guidelines for size and design.

Assistance in completing the necessary documentation, as well as technical help with the actual construction of the house, is provided free of charge by department staff.

During the 1987–88 fiscal year 148 units were delivered to eligible Nova Scotians.

SELF-HELP HOUSING
1987–88

Region	Applicants Approved	Mortgage Funds Approved
1	53	$2,577,000
2	21	1,080,000
3	47	2,781,000
4	27	1,391,000
Total	148	$7,829,000

FAMILY BENEFITS HOUSING PROGRAM

The Family Benefits Housing Program is a joint initiative between the Department of Housing and Department of Community Services to provide modest housing to eligible applicants who are in receipt of the shelter component of provincial family benefits.

To be eligible for the program, applicants must have been residents of Nova Scotia for one year and must be in receipt of the shelter component of the provincial family benefits progam. Applicants shall not own a home—with the exception of those who reside in a dwelling that is inadequate by virture of its physical condition. Single individuals who apply must have a dependent to qualify for assistance. All work carried out must meet the requirements of municipal by-laws and regulations.

Under this new program all loans are to be used for the construction of a new housng unit or the purchase and/or repair of an existing one. Units are for the sole use and benefit of an applicant and his or her immediate family.

Maximum loans amounts are $45,000 for new construction and $40,000 for existing units, or as determined by the shelter component available and the prevailing interest rate at the time of mortgage approval. The amortization period of the mortgage is not to exceed 25 years.

During the 1987–88 fiscal year, 167 units were delivered to eligible Nova Scotians.

FAMILY BENEFITS PROGRAM
1987–88

Region	Applicants Approved	Mortgage Funds Approved
1	50	$2,033,000
2	41	1,530,000
3	25	977,000
4	51	2,250,000
Total	167	$6,790,000

PARENT APARTMENT PROGRAM

The Parent Apartment Program provides financial assistance to eligible homeowners to create within a principal residence a modest apartment unit for senior citizens related to the homeowner.

An applicant must have been a resident of Nova Scotia for at least one year and own real property. Loans are made only with respect to the permanent residence of the applicant. Upon completion of the unit the total outstanding charges against the property are not to exceed 90 per cent of market value.

The unit created by the additional space or the space to be renovated will include 120 sq. ft. (11 m^2) for bedroom and storage facilities and may include bathing and minor food preparation areas. If bathing facilities are not included, easy access to existing facilities must be available.

The minimum loan under the program is $1,000, up to a maximum of $10,000. All loans are secured by a first or second mortgage to be repaid at an annual interest rate of 6 per cent, over a term not to exceed 10 years.

During the year 12 applicants received benefits under the program.

PARENT APARTMENT PROGRAM
1987–88

Region	Applicants Approved	Mortgage Funds Approved
1	2	$14,000
2	5	44,000
3	1	5,000
4	4	34,000
Total	12	$97,000

APARTMENT CREATION PROGRAM

The Apartment Creation Program provides financial assistance to increase the number of rental apartment units available to low- and moderate-income individuals or families. Actual work would include conversion and/or retrofit of existing structures or additions.

An applicant must have been a resident of Nova Scotia for at least one year or must be a corporation registered to carry on business in Nova Scotia. The applicant enters into an agreement with the minister respecting rents to be charged to tenants for a three-year period, and the manner in which the rents are calculated. All loans must be used for the creation of new apartment units, and all work must comply fully with municipal by-laws and regulations.

The maximum loan under this program cannot exceed $15,000 per eligible unit. The total capital cost must not exceed $40,000 and must be secured by a first or second mortgage to be repaid over a term not to exceed 10 years at an interest rate determined at the time of approval. The total of the first and second mortgages must not exceed 90 per cent of the appraised market value after completion.

In the fiscal year 1987–88 14 units were created under this program for Nova Scotians.

APARTMENT CREATION PROGRAM
1987–88

Region	Applicants Approved	Mortgage Funds Approved
1	8	$ 86,000
2	3	45,000
3	1	15,000
4	2	26,000
Total	14	$172,000

SECOND MORTGAGE PROGRAM

Under the provisions of the Second Mortgage Program, financial assistance is provided to first-time homeowners for the downpayment to construct or purchase a modest home or condominium.

To qualify an eligible applicant must meet the following criteria:

- the maximum gross family income does not exceed $45,000;
- the household consists of at least two persons;
- the individual does not presently own a home;
- the individual must provide a minimum of $1,500 in equity.

To qualify for the program, eligible housing units must not be older than 10 years for existing units, and the maximum purchase price must not exceed $85,000. Where the purchase price exceeds $75,000, the applicant's equity increases proportionately.

Under the program the Department of Housing provides financial assistance as follows:

- a maximum second mortgage of 25 per cent of the purchase price (less $1,500 equity) to a maximum of $17,250;
- interest rate established at the time of approval;
- interest rate fixed for the term of the first mortgage;
- amortization not to exceed 15 years.

During the year, 288 applications were approved under the program.

1987–88
SECOND MORTGAGE PROGRAM

Region	Applicants Approved	Mortgage Funds Approved
1	—	$ —
2	16	192,000
3	256	4,008,000
4	13	178,000
Total	285	$4,378,000

SHELL HOUSING PROGRAM

The Shell Housing Program was initiated in 1986. Under the program, financial assistance is provided to lower- and middle-income families for the construction or purchase of a new (never-occupied) modest home. An underlying principle of the progam is that such housing units may be occupied with construction partially complete with any outstanding work to be completed by the homeowner at a later date as financing permits.

To be eligible applicants must have been residents of Nova Scotia for one year. They cannot own a home at the time of application, their gross family income cannot exceed $28,000 per annum, and the household must consist of a minimum of two persons.

Under the program, the maximum mortgage available to eligible applicants is $50,000, including the mortgage insurance fee. The mortgage interest rate is determined at the time of the loan approval.

In addition, a subsidy, to a maximum of $100 per month, is available to reduce the monthly mortgage payment including principal, interest, and taxes (PIT) to 25 per cent of the gross family income. The subsidy is subject to an annual income review and decreases annually by the greater of $10 per month or the difference between the original subsidy and the amount required to bring the mortgage payment down to 25 per cent of the gross family income. The subsidy cannot be increased or reinstated beyond the amount originally approved, and will be paid only to the original applicant and only for as long as that person owns and occupies the unit and is eligible to receive the subsidy.

In the fiscal year 1987–88, 74 units were delivered under this program.

1987–88
SHELL HOUSING PROGRAM

Region	Applicants Approved	Mortgage Funds Approved
1	19	$ 904,000
2	22	1,042,590
3	14	680,000
4	19	869,000
Total	74	$3,495,590

PROVINCIAL HOUSING EMERGENCY REPAIR PROGRAM

The Provincial Housing Emergency Repair Program (PHERP) provides one-time grants of up to $2,500 for labor and materials to applicants who cannot afford to do emergency home repairs. These repairs must be for items posing a threat to the health of the applicant.

Applicants must own or have a life interest in the home, and priority is given to persons with an income of $6,000 per year or less. The home must be the principal residence of the applicant and a single family unit, but it may be detached, semi-detached, a mobile home, or one unit of row housing.

During the fiscal year 1987–88, 736 units were delivered under this program.

EMERGENCY REPAIR PROGRAM
1987–88

Region	Applicants Approved	Amount of Grants
1	125	$ 288,000
2	180	423,000
3	273	656,000
4	158	349,000
Total	736	$1,716,000

ACCESS-A-HOME PROGRAM

The Access-A-Home Program offers financial assistance for home renovations to individuals or family members who are confined to a wheelchair because of long-term disability. The amount of the grant varies from $750 to $1,350, depending on the applicant's gross family income.

Program participants with a gross annual family income of $15,000 or less receive a grant of 90 per cent for the first $1,500 of approved work and materials in place. Participants with a gross yearly income of $15,001–$30,000 receive a grant of 70 per cent of the first $1,500 of approved work and materials in place. Those with a gross annual family income of more than $30,000 receive a grant of 50 per cent for the first $1,500 of approved work and materials in place.

The individual or applicant is given a grant to cover the cost of labor and materials needed to eliminate architectual barriers. The individual must live in the home and own or have a life interest in it. Remodeled bathrooms, lowered light switches, chair lifts, and ramps are all examples of work that has been completed through this program.

During the year 109 units were delivered under this program.

ACCESS-A-HOME PROGRAM
1987–88

Region	Applicants Approved	Amount of Grants
1	21	$ 21,000
2	27	28,000
3	23	28,000
4	28	29,000
Total	99	$106,000

SMALL LOANS ASSISTANCE PROGRAM

This program provides low-interest loans for repairs, alterations, or additions to (and for completion of) a single-family home. Loans of up to $5,000 are available with a maximum repayment term of five years.

The program is designed for families with an adjusted income of less than $17,000 a year. The interest rate is 6 per cent or less for an adjusted family income of $12,000 annually, and 8 per cent for those having an adjusted family income of $12,001–$14,000. For those with incomes above these guidelines the interest rate is the provincial borrowing rate at the time of approval.

Loans are secured by a first, second, or chattel mortgage on the property. When a second mortgage is taken, the balance owing on the first mortgage must not exceed 75 per cent of the appraised value of the home.

During the year 264 units were delivered under this program.

1987–88
SMALL LOANS ASSISTANCE PROGRAM

Region	Applicants Approved	Amount of Loans
1	74	$260,000
2	44	162,000
3	89	355,000
4	57	201,000
Total	264	$978,000

SENIOR CITIZENS ASSISTANCE PROGRAM

This program is designed to help senior citizens who wish to stay in their homes but cannot afford the necessary repairs and alterations that would make this possible.

A forgiveness loan is given for the actual cost of labor and materials to a maximum of $3,000. The loan is secured by a forgiveness loan agreement and is forgiven at the rate of $83.34 per month as long as the senior continues to own the home and live in it.

To qualify for the program an individual must be 65 years of age or over. They must reside in the home and own, be part owner, or have a life interest in it. Priority is given to applicants with a combined annual income of $12,000 or less. Only in cases of extreme emergency will an applicant be eligible if previous assistance under any federal or provincial rehabilitation program has been received.

The residence must be a single family home, including detached, semi-detached, or one unit of row housing. If title to the house is transferred, the unforgiven balance becomes due and payable.

In 1987–88, 1881 seniors were assisted under this program.

SENIOR CITIZENS ASSISTANCE PROGRAM
1987–88

Region	Applicants Approved	Amount of Grants
1	471	$1,316,000
2	355	947,000
3	479	1,291,000
4	576	1,510,000
Total	1881	$5,064,000

RENT SUPPLEMENT PROGRAM

The Rent Supplement Program provides assistance for individuals to obtain affordable, adequate, and suitable housing by subsidizing rental rates in eligible rental dwellings. Under the program, assistance is available to private landlords and continuing housing co-operatives.

The assistance is based on the difference between rent paid by the rent supplement client and a market rent agreed to by the minister in a formal agreement with the owner. Rents charged are based upon a rent-geared-to-income scale, and adjusted household income and are cost-shared by Canada Mortgage and Housing Corporation in consultation with the Department of Housing.

For private landlords a public tendering process is used in the selection of projects and units. Applicants from existing waiting lists for Public Family Rent-To-Income Housing are referred from housing authorities.

SPECIAL METROPOLITAN HALIFAX-DARTMOUTH DEMONSTRATION HOUSING PROGRAM

In Nova Scotia, the incidence of home ownership has traditionally been one of the highest in Canada. In addition, Nova Scotians have the oldest housing stock in Canada and have taken pride in retaining many fine homes.

Like all other provinces, Nova Scotia has a need for more housing—especially for those on lower incomes and for the physically, socially, and mentally disadvantaged. When the United Nations adopted 1987 as the International Year of Shelter for the Homeless, it represented another opportunity for Nova Scotia to focus on housing and to direct renewed attention to the plight of the disadvantaged and their basic need for shelter.

In recognition of the International Year of Shelter for the Homeless, and in response to the unique housing demands present within the province, a special initiative known as the Metropolitan Demonstration Housing Program was undertaken. This program used a new financing approach that provided up-front capital grants instead of traditional long-term subsidies. The project was funded by three levels of government and included direct delivery responsibility by non-profit groups.

The non-profit organizations involved were experienced in working with special needs groups who are in need of shelter, and most offered counselling and other services in addition to housing management. Clients for this project were selected on the basis of core housing need and other criteria established by the participants.

During the 1987–88 fiscal year, 22 units were delivered under this program.

METRO DEMONSTRATION PROGRAM
1987–88

Location	Type of Unit	# of Units	Amount
Dartmouth	Seniors	20	$824,616
Prospect	Family	2	148,000
Total		22	$972,616

NOVA SCOTIA HOME AWARDS PROGRAM

The Nova Scotia Home Awards Program was initiated in 1982 by the Nova Scotia Department of Housing as an annual awards program for the housing industry. These awards encourage the housing industry to continue to implement technical and design innovations in Nova Scotia, and allow the department to recognize excellence and special achievements in the housing industry. The Nova Scotia Home Awards are now presented annually as one way of supporting innovation in residential development in Nova Scotia and of increasing public awareness of the province's residential development activity.

The first awards were presented for innovations in residential design. The trend toward home renovations resulted in a new category being created for the 1984 awards: Housing Renovation/Restoration. A brief description of the three current award categories follows:

Housing Unit Design. All housing types will be eligible. Award nominees will be considered on the basis of design innovation and excellence, cost, energy conservation and the use of Nova Scotia products.

Housing Innovation. This award category honors innovation in the use of materials, financing, subdivision design, or housing component design.

Housing Renovation/Restoration. Excellence in the renovation of older housing stock is recognized with emphasis on suitability to neighborhood, historical value, attention to detail, economics, and universality of application.

The competition closes each year in October. A jury selected from the Nova Scotia Home Builders Association, the Nova Scotia Association of Architects, and two representatives from the Department of Housing review the entries and select the final winners. Entries are judged on a point-scoring system based on economics, historical significance, Nova Scotian content, and affordability.

RURAL AND NATIVE HOUSING PROGRAM

The Rural and Native Housing Program is designed to provide assistance to low-income families in rural areas of Nova Scotia to acquire adequate housing either through new construction or through the acquisition and repair of an existing unit.

This program is delivered directly by CMHC through its delivery agent network throughout the province and is 100 per cent funded by CMHC for both capital construction and subsidy costs. Before 1986 the province of Nova Scotia cost-shared the capital and subsidy costs for housing units constructed under the program. The province is directly involved in the ongoing cost-sharing of the existing program portfolio built prior to 1986.

LAND ACQUISITION AND DEVELOPMENT PROGRAM

The Department's Land Acquisition and Development Program is intended to help ensure a supply of moderately priced serviced land within various communities in Nova Scotia. This program is also intended to provide moderately priced serviced building sites to private home-builders, small and large building contractors, and commercial and institutional developers.

Sizeable subdivisions have been undertaken in the Halifax-Dartmouth metropolitan area at Cole Harbour, Lower and Middle Sackville, Spryfield, and also in Sydney, Cape Breton. In addition, a number of smaller projects have been developed at various locations throughout the province.

In the case of the large subdivisions, serviced land is designed for low- and high-density residential development as well as for commercial and institutional uses. Substantial parkland tracts are also set aside for public recreational use.

Through this program the Department of Housing undertakes the complete process from acquiring the vacant raw land through to the planning, servicing, and marketing stages.

LAND ASSEMBLY PROJECTS
TENDER AWARDS
SUMMARY

Location	Type of Work	Amount of Tender Award[1]	Lots Created[2]
Millwood			
Phase 2A	Roads & services	$ 768,047	23
Phase 3A & 2C	Roads & services	841,689	55
Phase 3B	Roads & services	473,233	75
Millwood/Sackville			
Forest Hills	Paving	246,346	
Total		$2,329,315	153

1. Value at time of tender award; does not include value of change orders.

2. Expressed in units.

LAND ACQUISITION SUMMARY

Location	Acres	Lots
Sydney		2
Inverness County		3
New Waterford		5
Sydney Mines		1
Cape Breton County	2.00	
Glace Bay	1.54	
Victoria County		1
Antigonish		3
Springhill		4
Colchester County	.86	2
Pictou		2
Truro		1
Halifax County	3.80	12
	34.20	
	1.78	
Hants West	1	
Yarmouth County	11.9	1
Kings County		5
Kentville		4

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
FINANCIAL STATEMENTS
MARCH 31, 1988

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
FINANCIAL STATEMENTS
MARCH 31, 1988

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AUDITOR'S REPORT

To the Chairman of and Members
of the Housing Development Board and to
the Minister of Housing

I have examined the balance sheet of the Housing Development Fund as at March 31, 1988, and the statements of advances and recoveries, and continuity of the fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Housing Development Fund as at March 31, 1988, and the advances, recoveries and continuity of the fund for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
August 11, 1988

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
BALANCE SHEET
AS AT MARCH 31, 1988

Assets

	1988	1987
Advances for the Purchase of Land	$ 164,119	$ 424,830
Accounts Receivable (Schedule I)	571,160	1,375,886
Temporary Advances on behalf of the Housing Development Corp. (Schedule IV)	11,199,738	6,152,408
Mortgages Receivable (Schedule II) (Note 3)	71,252,733	81,220,523
Deferred Charges	49,133	86,764
Investment in Land and Housing Projects (Schedule III) (Note 2)	107,897,921	107,491,764
	$191,134,804	$196,752,175

Liabilities and Fund Balance

Liabilities		
Accounts Payable (Schedule V)	$ 170,939	$ 1,800,518
Contractors' Holdback Payable	1,079,269	1,042,433
Notes Payable (Scheudle VI)	64,596,928	68,118,198
	65,847,136	70,961,149
Fund Balance		
Contributed Surplus (Note 4)	4,000,000	4,000,000
Advances from Consolidated Fund (Authorized $154,000,000)	125,935,746	125,145,516
Less: Allowance for Doubtful Recoveries	4,648,078	3,354,490
Net Advances	121,287,668	121,791,026
Fund Balance	125,287,668	125,791,026
	$191,134,804	$196,752,175

Approved on behalf of the Board;

Chairman

Deputy Minister

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
STATEMENT OF ADVANCES AND RECOVERIES
FOR THE YEAR ENDED MARCH 31, 1988

	1988	1987
Advanced to the Fund, Beginning of Year	$125,145,516	$129,331,436
Advances		
Public Housing Construction Costs	1,279,781	9,354,993
Uniacke Square Regeneration	18,776	—
Land Servicing Costs	6,146,834	4,229,091
Repayments on Notes Payable		
Co-operative Housing	3,201,080	3,507,986
Land Assembly	200,342	179,026
Public Housing	119,849	110,753
Lease Purchase Housing	1,731,141	1,669,722
Mortgage Advances		
Provincial Self-Help	87,261	3,465,991
Second Mortgages	3,582,204	2,382,202
Small Loans Assistance	784,303	893,515
Rural and Native Housing	56,759	232,469
Interim Financing—Non-Profit Housing Co-operatives	39,595	150,000
Apartment Creation	259,558	120,205
Parent Suites	115,075	12,500
Hearth Home	17,535	—
Other	625	2,635
Temporary Advances on Behalf of N.S. Housing Development Corp.		
Non-Profit Housing	9,795,031	7,756,103
Metro Demonstration Project	1,667,002	566,227
Provincial Self-Help, 1986	11,674,424	8,702,606
Family Benefits Housing	6,770,333	1,320,863
Shell Housing	3,731,118	381,723
Family Modest Housing	131,805	—
Recovery of Prior Years' Write Offs and Gain on Proposal	88,400	2,461,762
Total Advances	51,498,831	47,500,372
	176,644,347	176,831,808

Recoveries		
Recovery from CMHC		
Public Housing	791,548	9,289,679
Land Servicing	253,404	8,189,129
Land Servicing Recoveries	8,000	497,910
Land Sales	3,804,943	5,866,367
Repayments on Mortgages Receivable		
Provincial Self-Help	6,604,402	6,920,403
Co-operative Housing	4,001,736	4,875,289
New Home Mortgage	2,002,825	2,603,510
Lease Purchase Mortgage	1,616,218	2,312,638
Canada-N.S. Home Insulation and Electric Conversion	304,156	2,224,976
Subtotal	19,387,232	35,408,901
Small Loans Assistance	602,400	503,489
Rural and Native Housing	407,534	351,608
Interim Financing—Non-Profit Housing Co-operatives	79,300	115,366
Parent Suites	6,099	132
Apartment Creation	26,957	—
Second Mortgage	158,808	—
Other	525,537	116,538
Recovery of Temporary Advances from N.S. Housing Development Corp.		
Non-Profit Housing	9,992,408	5,706,792
Metro Demonstration Project	1,545,315	497,880
Provincial Self-Help, 1986	10,578,766	6,918,289
Family Benefits Housing	4,268,234	270,718
Shell Housing	2,469,277	50,500
Write-Off of Doubtful Accounts	660,734	1,746,079
Total Recoveries	50,708,601	51,686,292
Advanced to the Fund, End of Year	$125,935,746	$125,145,516

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED MARCH 31, 1988

	1988	1987
Balance, Beginning of Year	$154,000,000	$154,000,000
Add: Authorizations for the Year	—	—
Balance, End of Year	$154,000,000	$154,000,000
Comprising:		
Advanced to the Fund	$125,935,746	$125,145,516
Balance Unadvanced	28,064,254	28,854,484
	$154,000,000	$154,000,000

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1988

1. Authority

The Provincial share of capital housing programs is financed through the Housing Development Fund as established by Section 20(1) of the Housing Act. These programs include the construction of lease purchase housing units, low interest loans for home construction and rehabilitation, the assembly and servicing of land, and the construction of public housing.

2. Accounting Policies

Public Housing

Public housing projects are carried at cost which includes the cost of site investigation, land, construction, administration and interest during construction.

Section 40 projects are jointly owned by Canada Mortgage and Housing Corporation and the Department of Housing. Therefore, only the Department's 25% share of costs are reflected in these financial statements. Section 43 projects are owned by the Department, and are reflected at 100% of their costs.

Amortization of Public Housing

The capital cost of public housing projects is reduced over periods of 35 to 50 years, with the amount of the annual reduction increasing over the amortization period.

The capital cost of public housing projects were reduced during the year ended March 31, 1988 by $257,238 ($229,820—1987).

Investment in Land and Land Assembly

Land and land assembly projects are carried at cost of acquisition plus servicing costs, capitalized interest charges and administrative costs where applicable. If recovery is doubtful the unrecovered capital cost is reduced by the amount of estimated losses on disposal until

the net capital cost reaches a minimal value of $1.

Profit or loss on sale of land is recognized when the sale of the project is complete. Until then, land sales are carried as deferred revenue, and deducted from Investment in Land and Housing Projects.

Operating Revenues and Expenditures

The Provincial share of operating expenditures related to capital programs is funded by the Department of Housing's legislative vote. Operating revenues consist primarily of interest revenue on loan programs and are credited to the revenues of the Province. Operating expenditures include administrative costs of the Fund, the Province's share of operating deficits on public housing projects, and grants and assistance associated with capital and other programs. Details of operating revenues and expenditures are reported in the Province's Public Accounts Volume 1.

3. Mortgages Receivable--Rural and Native Housing

No provision has been made in the financial statements for the Department's share of possible bad debt losses on the Rural and Native Program. Borrowers' payments under that program are substantially subsidized by Canada Mortgage and Housing Corporation and the Department of Housing. The Department's share of future payments from borrowers is not expected to be sufficient to meet the full principal balance presently outstanding. Based on past experience the Department estimates that $6 to $7 million of the present principal balance outstanding will be absorbed by way of subsidy charges over the life of the portfolio.

4. Contributed Surplus

Under the terms of the Canada/Nova Scotia Off-Shore Development Agreement $4 million has been received by the Department of Finance and recorded as contributed surplus.

5. Contingent Liability

The Department of Housing has guaranteed two loans to the Wolfville Area Interchurch Housing Society.

	Expiry Date	Maximum Loan Amount	Loan Balance March 31, 1988
20 Housing Units	Dec. 31, 2004	$ 609,000	$ 588,794
50 Housing Units	Dec. 31, 2006	1,725,500	1,065,820
			$1,654,614

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
SCHEDULES SUPPORTING BALANCE SHEET
MARCH 31, 1988

SCHEDULE I: Accounts Receivable

	1988	1987
Canada Mortgage and Housing Corporation	$ 227,595	$ 767,350
Municipal Governments	336,956	594,572
Other	6,609	13,964
	$ 571,160	$ 1,375,886

SCHEDULE II: Mortgages Receivable (by Program)

Rural and Native Housing (Note 3)	$11,921,236	$12,295,127
Co-operative Housing	24,060,848	28,241,287
Provincial Housing Emergency Rehabilitation	—	214
Cape Breton Association for Housing Development	28,643	36,531
Canada-N.S. Home Insulation and Electric Conversion	660,345	964,366
Provincial Self-Help	14,522,457	21,039,669
Apartment Conversion	27,531	37,902
Small Loans Assistance	1,786,567	1,611,523
Lease Purchase Mortgage	2,865,321	3,308,529
New Home Mortgage	9,249,226	11,252,051
Interim Financing — Non-Profit Housing Co-operatives	47,929	87,634
Second Mortgages	5,805,597	2,382,202
Apartment Creation	352,806	120,205
Parent Apartment	121,344	12,368
Hearth Home Housing — 1987 Program	17,535	—
	71,467,385	81,389,608
Less: Allowance for Doubtful Recoveries	214,652	169,085
	$71,252,733	$81,220,523

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
SCHEDULES SUPPORTING BALANCE SHEET
MARCH 31, 1988

	1988	1987
SCHEDULE III: Investment In Land And Housing Projects		
Public Housing—Section 40	$ 52,573,647	$ 52,510,598
Public Housing—Section 43	31,384,013	31,514,897
Housing for Rental Purposes	—	370,961
Lease Purchase Properties	12,247,380	11,691,548
	96,205,040	96,088,004
Land and Property Bank	13,733,032	12,181,073
Land Assembly	41,081,298	39,473,747
Other	59,432	32,330
	55,593,762	51,687,150
Less: Land Sales to Date on Projects in Progress	40,241,066	37,678,496
Unrecovered Costs	15,352,696	14,008,654
Department-Owned Foreclosed Properties	773,611	580,511
	112,331,347	110,677,169
Less: Allowance for Doubtful Recoveries	4,433,426	3,185,405
	$107,897,921	$107,491,764
SCHEDULE IV: Temporary Advances on Behalf of the Housing Development Corporation		
Non-Profit Housing	$ 2,493,381	$ 2,522,073
Family Benefits Housing	3,691,564	1,387,040
Metro Demonstration Project	409,949	127,755
Provincial Self-Help, 1986	2,879,975	1,784,317
Shell Housing	1,593,064	331,223
Family Modest Housing	131,805	—
	$ 11,199,738	$ 6,152,408

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
SCHEDULES SUPPORTING BALANCE SHEET
MARCH 31, 1988

	1988	1987
SCHEDULE V: Accounts Payable		
Due to Canada Mortgage and Housing Corporation		
Rural and Native Housing	$ —	$ 23,116
Public Housing	—	561,510
	—	584,626
Due to Others		
Public Housing	104,235	830,532
Land Assembly	14,560	238,133
Security and Land Deposits	52,088	142,705
Miscellaneous	55	4,522
	170,938	1,215,892
	$ 170,938	$ 1,800,518
SCHEDULE VI: Notes Payable		
Canada Mortgage and Housing Corporation		
Public Housing — Section 43	$28,226,627	$28,346,476
Co-operative Housing	29,629,354	32,830,433
Land Assembly	6,652,257	6,845,924
	64,508,238	68,022,833
Department of Regional Economic Expansion	88,690	95,365
	$64,596,928	$68,118,198

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
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PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
MARCH 31, 1988

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AUDITOR'S REPORT

To the Chairman and Members
of the Housing Development Board and to
the Minister of Housing

I have examined the balance sheet of the Nova Scotia Housing Development Corporation as at March 31, 1988, and the statement of revenue and expense for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Nova Scotia Housing Development Corporation as at March 31, 1988, and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O.P. Cormier

O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
August 11, 1988

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
BALANCE SHEET
AS AT MARCH 31, 1988

Assets

	1988	1987
Accounts Receivable	$ 1,962	$ —
Mortgages Receivable (Note 5)	23,989,848	7,234,585
Fixed Assets — At Unamortized Costs (Note 6)	18,393,517	5,884,992
Other Assets		
Housing Development Corporation Fund (Note 4)	—	571,085
	$42,385,327	$13,690,662

Liabilities

Current Liabilities		
Accounts Payable (Public Non-Profit Housing)	$ 32,357	$ 30,049
Long-Term Liabilities		
Notes Payable (Note 7) (Schedule I)	24,631,346	7,232,765
Mortgages Payable (Note 8) (Schedule I)	17,061,099	6,437,848
	41,692,445	13,660,613
Other Liabilities		
Housing Development Corporation Fund (Note 4)	414,294	—
Department of Housing	246,231	—
	660,525	—
	$42,385,327	$13,690,662

Approved By:

Minister of Housing

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
STATEMENT OF REVENUE AND EXPENSE
FOR THE YEAR ENDED MARCH 31, 1988

	1988	1987
Interest Revenue		
Self-Help Program	$1,235,464	$ 81,471
Family Benefits Program	383,092	1,413
Shell Housing Program	133,217	488
Public Non-Profit Housing Program	1,061,633	170,985
Halifax-Dartmouth Metro Area Demonstration Program Projects	34,086	1,652
Housing Development Corporation Fund	29,094	–
Total Revenue	2,876,586	256,009
Interest Expense		
Self-Help Program	1,300,639	81,463
Family Benefits Program	326,816	1,558
Shell Housing Program	117,441	436
Public Non-Profit Housing Program	1,061,472	170,600
Halifax-Dartmouth Metro Area Demonstration Program Projects	34,086	1,652
	2,840,454	255,709
Other Expense		
Administration Fee (Note 3)	34,332	–
Legal Fees	1,800	300
Total Expenses	2,876,586	256,009
Excess of Revenue over Expenses (Note 3)	$ –	$ –

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1988

1. Authority

On June 17, 1986 the Nova Scotia Housing Development Corporation Act established the Nova Scotia Housing Development Corporation. The purpose of the Corporation is to provide long-term mortgage financing through outside lenders for the Public Non-Profit Housing Program, and the home ownership programs of the Department of Housing, and loan guarantees for housing purposes.

2. Accounting Policies

Public Non-Profit Housing

Public Non-Profit Housing projects are carried at cost which includes the cost of site investigation, land, construction, administration and interest during construction.

Amortization of Public Non-Profit Housing

The capital cost of Public Non-Profit Housing projects is reduced each year by the amount of the principal repaid on the related mortgage financing the project. Mortgages are obtained for periods of 35 years. The principal portion of mortgage repayments increase as the mortgages approach maturity.

The capital cost of Public Non-Profit Housing projects and the related mortgages payable were reduced during the year ended March 31, 1988 by $26,400 ($3,860—1987).

3. Administration and Management

The administration and management of the Nova Scotia Housing Development Corporation is carried out by the staff of the Department of Housing. The Corporation will pay an administration fee to the Department to the extent that the interest revenues earned by the Corporation exceed the expenses and net interest costs in any year.

4. Housing Development Corporation Fund

To provide working capital for the Nova Scotia Housing Development Corporation, the Housing Development Corporation Fund was established by Order-In-Council. The Fund is set up as a revolving account which records all receipts and expenditures and allows the Corporation to borrow up to $500,000.

At March 31, 1988 the Housing Development Corporation owed the Housing Development Corporation Fund $414,294. At March 31, 1987 the Housing Development Corporation Fund owed $571,085 to the Housing Development Corporation.

5. Mortgages Receivable

Interim financing for the Department of Housing's home ownership programs is provided by the Province, and the long term financing is provided by the Nova Scotia Housing Development Corporation. When loan repayment begins the Department assigns the mortgages to the Corporation. The Corporation assigns the mortgages to a private lender as security for a twenty-five year loan. The proceeds of the loan are given to the Province to repay the interim financing. The mortgages receivable, by program, are as follows:

	1988	1987
Self-Help Housing	$16,871,126	$ 6,913,052
Family Benefits Housing	4,567,308	270,627
Shell Housing	2,551,414	50,906
	$23,989,848	$ 7,234,585

6. Fixed Assets

Interim financing for the Public Non-Profit Housing and the Halifax-Dartmouth Metro Area Demonstration Program Projects is provided by the Province through the Department of Housing. When the projects are complete, title is deeded by the Department to the Corporation. The Corporation mortgages the project to a private lender as security for a thirty-five year loan. The proceeds of the loan are given to the Province to repay the interim financing. Family Benefits Rental Units and Foreclosed Properties Owned are financed on the same basis as the Mortgages Receivable by a twenty-five year loan. Fixed Assets, by program, are as follows:

	1988	1987
Public Non-Profit Housing		
Senior Citizens Units	$ 9,726,209	$ 2,403,475
Family Units	6,906,474	3,299,313
	16,632,683	5,702,788
Halifax-Dartmouth Metro Area Demonstration Program Projects	734,730	182,204
Family Benefits Rental Units	880,536	—
Foreclosed Properties Owned	145,568	—
	$18,393,517	$ 5,884,992

7. Notes Payable

The long-term financing of the Mortgages Receivable is secured by promissory notes, assignment of mortgages and a loan agreement. Interest only is payable on the advances up to the Interest Adjustment Date which is March 1, 1988. The amortization period is 25 years with a 10-year renewal at 11⅛% per annum. The Notes Payable are repayable in monthly installments of $247,915, including interest. The Notes Payable, by program are as follows:

	1988	1987
Self-Help Housing	$17,478,883	$ 6,913,156
Family Benefits Housing	4,599,220	269,109
Shell Housing	2,553,243	50,500
	$24,631,346	$ 7,232,765

The loans received by the Nova Scotia Housing Development Corporation from approved lenders for the home ownership programs are insured under the Province's Mortgage Insurance Fund.

8. Mortgages Payable

The long-term financing of the Public Non-Profit, Halifax-Dartmouth Metro Area Demonstration Program Projects and the Family Benefits Rental Units is secured by thirty-five year first mortgages. The mortgages payable, by program, are as follows:

	1988	1987
Public Non-Profit Housing		
Senior Citizens Units	$ 9,336,897	$ 2,416,997
Family Units	6,119,004	3,348,291
	15,455,901	5,765,288
Halifax-Dartmouth Metro Area Demonstration Program Projects	724,662	182,204
Family Benefits Rental Units	880,536	480,356
	$17,061,099	$ 6,427,848

In 1986 the Province entered into a new Federal/Provincial Operating Agreement on Social Housing. Under the new Operating Agreement Canada Mortgage and Housing Corporation agrees to insure loans received by the Nova Scotia Housing Development Corporation from approved lenders for capital financing of Public Non-Profit Housing projects.

9. Contingent Liability

The Nova Scotia Housing Development Corporation has guaranteed the following loans:

	Expiry Date	Maximum Loan Amount	Loan Balance March 31, 1988
Harbour City Homes 67 Units	Dec. 17/2007	1,955,000	$ 645,129
Association of Women's Residential Facilities 15 Units	Oct. 20/2007	250,000	201,364
Interchurch Housing Society 25 Units	Jul. 20/2002	1,225,000	863,716
Private Sector Second Mortgage 300 Units	Various	5,175,000	950,430
			$2,660,639

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
SCHEDULES SUPPORTING BALANCE SHEET
AS AT MARCH 31, 1988

SCHEDULE I: LONG-TERM LIABILITIES

Notes Payable	No. of Years Amortization	Due Date	Interest Rate	Balance March 31/88
Metropolitan Trust	25	Mar. 1/98	11⅛%	$24,631,346
Mortgages Payable				
Metropolitan Trust	25	Mar. 1/98	11⅛%	880,537
" "	35	Nov. 1/96	11⅛%	863,364
" "	35	Dec. 1/96	11⅛%	1,747,964
" "	35	Jan. 1/97	11⅛%	1,220,243
" "	35	Feb. 1/97	11⅛%	1,952,903
" "	35	Mar. 1/97	11⅛%	181,675
" "	35	Apr. 1/97	11⅛%	453,110
" "	35	May 1/97	11⅛%	862,476
" "	35	Jul. 1/97	11⅛%	624,228
" "	35	Sept. 1/97	11⅜%	101,105
" "	35	Sept. 1/97	11⅛%	1,122,689
" "	35	Sept. 1/97	10½%	247,615
" "	35	Oct. 1/97	11⅛%	1,083,534
" "	35	Nov. 1/97	11⅜%	53,231
" "	35	Nov. 1/97	10½%	172,366
" "	35	Dec. 1/97	11⅛%	70,661
" "	35	Jan. 1/98	10½%	1,031,089
" "	35	Jan. 1/98	11⅜%	1,146,795
" "	35	Jan. 1/98	11⅛%	413,937
" "	35	Feb. 1/98	11⅜%	138,515
" "	35	Feb. 1/98	11⅛%	229,489
" "	35	Mar. 1/98	11⅜%	1,429,611
" "	35	Mar. 1/98	11⅛%	58,388
" "	35	Mar. 1/98	10½%	975,574
Total Mortgages Payable				17,061,099
Total Long-term Liabilities				$41,692,445

Department of Housing Regional Offices

REGION 1

Cape Breton Regional Office (Sydney)
Port Hawkesbury Field Office
Baille Ard Sales Office

REGION 2

Central Regional Office (New Glasgow)
Amherst District Office

REGION 3

Metro Regional Office (Bedford)

REGION 4

Western Regional Office (Middleton)
Liverpool District Office